

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF WISCONSIN

JON W. SANFILIPPO
CLERK

UNITED STATES OF AMERICA,

Plaintiff,

v.

NORMAN ROTH,

Defendant.

Case No. **09 CR-236**
[T. 26 U.S.C. § 7201]

INDICTMENT

THE GRAND JURY CHARGES:

Allegations Common to all Counts

1. At all times relevant to this indictment:
 - a. Norman Roth ("Roth") was a resident of Hartland, Wisconsin, which is in the Eastern District of Wisconsin.
 - b. Roth worked as an independent distributor for Market America, selling its products and recruiting others to sell Market America products.
 - c. Market America paid Roth commissions based on the sales of its products by Roth and by people Roth recruited.
2. During the years 2003 and 2004, Market America paid Roth, and entities associated with Roth, more than \$690,000 in commissions.

3. Despite receiving substantial commissions from Market America during the years 2003 and 2004, Roth failed to file timely federal income tax returns for these years and pay the associated federal income taxes owed to the United States for these years.

4. Roth willfully attempted to evade and defeat the assessment and payment of the federal income taxes he owed to the United States for the years 2003 and 2004 by concealing and attempting to conceal from all proper officers of the United States his true and correct income, and by the following acts:

- a. Roth converted payments he received to cash, cashier's checks, and other bank checks.
- b. Roth withdrew funds from bank accounts in cash, cashier's checks, and other official bank checks.
- c. Roth formed a fictitious entity in the name of "Custom Business Solutions" and identified himself as its "general manager" and "managing director."
- d. Roth opened a post office box in the name of Custom Business Solutions.
- e. Roth, and others acting on his behalf, applied for and obtained an Employer Identification Number (EIN) for Custom Business Solutions.
- f. Roth opened bank accounts in the name of Custom Business Solutions.

g. In June 2003, Roth instructed Market America to transfer his distributorship to Custom Business Solutions. As a result, the checks Market America issued for commission payments on Roth's distributorship were made payable to Custom Business Solutions. In addition, and also at Roth's direction, Market America sent these commission checks to the post office box Roth opened in the name of Custom Business Solutions.

h. Roth deposited payments from Market America, which at his direction had been made payable to Custom Business Solutions, to bank accounts Roth maintained in the name of Custom Business Solutions.

i. Roth paid personal expenses using funds Market America paid, at his direction, to Custom Business Solutions.

j. Roth transferred funds to banks and other entities located in foreign countries, including Costa Rica and Cyprus.

THE GRAND JURY FURTHER CHARGES:

5. For the calendar years 2003 and 2004, in the State and Eastern District of Wisconsin, and elsewhere,

NORMAN ROTH

had and received taxable income in the approximate amounts indicated below, upon which there was owing to the United States of America income taxes, including self-employment taxes, in the amounts indicated. Knowing and believing the foregoing facts, Roth did

willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar years 2003 and 2004 by failing to file with the Internal Revenue Service a federal income tax return for these years on the date indicated, as required by law, by failing to pay said income taxes to the Internal Revenue Service, and by the affirmative acts described above in paragraph 4 of this indictment.


| <u>Count</u> | <u>Tax year</u> | <u>Taxable Income</u> | <u>Income Taxes Due</u> | <u>Tax Return Due Date</u> |
|--------------|-----------------|-----------------------|-------------------------|----------------------------|
| One | 2003 | \$265,184 | \$91,678 | April 15, 2004 |
| Two | 2004 | \$255,476 | \$87,435 | April 15, 2005 |

All in violation of Title 26, United States Code, Section 7201.

A TRUE BILL:


Foreperson

9/22/09
Date


MICHELLE L. JACOBS
United States Attorney